



DURHAM CITY-COUNTY INSPECTIONS DEPARTMENT



Memorandum

Date: April 18, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: William E. (Gene) Bradham, Director of City-County Inspections

Subject: Impact Fee Administrative Fee

Executive Summary: The Durham City-County Inspections Department administers the Streets, Parks and Recreation, and Open Space Land Impact Fee Ordinance. This process involves determining the category and amount of the impact fee associated with a building permit application, collecting the impact fee payment prior to the issuance of the Certificate of Occupancy, determining the amount of applicable credits for previous uses and applying these credits, keeping records of earned credits for Open Space, Parks and Recreation, and Streets, applying these credits to impact fee charges for specific permits, and participates in the Impact Fee appeal process. The Inspections Department answers questions about impact fees for proposed construction activities and resolves questions relative to the category and amount of the impact fees charged. The proposed Administrative Fee of 1% of the impact fees collected would provide revenue to cover the cost of the work required by the Inspections Department to administer the program on a daily basis.

Recommendation: Staff recommends Council adopt an amendment to the City of Durham Impact Fee Ordinance retaining 1% of collected fees for administrative costs incurred by the City-County Inspections Department.

Background: The Impact Fee Ordinance was effective on November 1, 1989. The enabling legislation allows for the local jurisdiction to use part of the fees for administrative costs. The current City of Durham Impact Fee Ordinance does not currently have a provision that allows for use of any of the impact fee revenues for administrative costs.

Issues/Analysis: Adoption of the administrative fee of 1% of the impact fee collected would cover the cost incurred by the Inspections Department to administer the program.

Alternatives: The City Council could decline to approve the 1% administrative fee, or could approve a different fee amount.

Financial Impact: Failure to approve the 1% administrative fee would result in the Inspections Department continuing to support the administration of the impact fee from funds generated by the revenue from building permit fees.

SDBE Summary: Not applicable to this item.

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Attachments: Ordinance Amendment
Supporting Data